GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2635
ANSWERED ON:14.03.2016
Slowdown in SEZs
Arunmozhithevan Shri A.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has identified the reasons for the slowdown in the Special Economic Zones;

(b) if so, the details thereof along with the corrective measures taken by the Government in this regard;

(c) whether the Export Promotion Council for EOUs and SEZs (EPCES) wants SEZ units to be allowed to sell in the domestic tariff area by shelling out the same duty applicable to imports from nations who are free trade agreement partners of India; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) and (b): The Special Economic Zones (SEZs) located in the country has seen a slowdown in terms of SEZ exports, slower operationalisation of SEZs, increased number of applications for de-notification of SEZs, fewer number of application for setting up of new SEZ, etc. The slowdown may be due to a number of reasons including withdrawal of exemption from Minimum Alternate Tax (MAT) and Dividend Distribution Tax (DDT) provisions, uncertain fiscal regime for SEZs, global slowdown in exports etc. In order to boost SEZs, review meetings with the Development Commissioners of SEZs are held regularly. Further, open house meetings with SEZ stakeholders, Road Shows have been organised in various places of the country to give wide publicity of SEZs.

(c) and (d) : The Export Promotion Council for EOUs and SEZs (EPCES) has represented for allowing best Free Trade Agreement rates to SEZ Developers and units for selling their goods in Domestic Tariff Area (DTA).

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